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The Fine Art Of Corporate Lying

COMPUTER DECISIONS

THE MANAGEMENT MAGAZINE OF COMPUTING

FEBRUARY 1984

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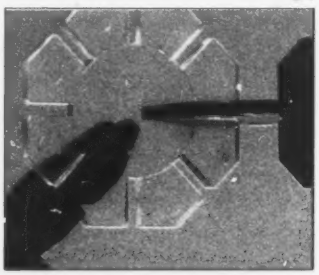

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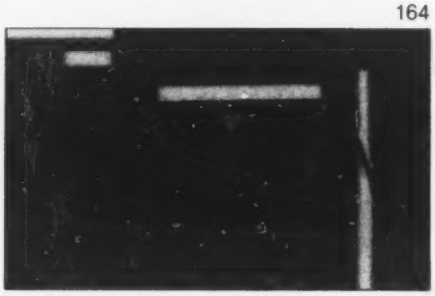

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COVER PHOTO: Edward Hardin

WHERE THE DOLLAR$ ARE

Money isn't everything, but it's one of the key indicators of your professional standing and progress toward your career goals. Indeed, your salary is the return on the time, training, and skills you've invested in your career. How healthy is your investment?

According to the latest *Computer Decisions* Salary-Status Survey, most MIS/dp managers realized healthier gains in 1983 than they

MIS/dp managerial salary increases in 1983 weren't spectacular, but steady growth continued. Did you measure up to the average?

SALARY-STATUS SURVEY, PART 1

by David Whieldon, Senior Editor

Illustrations by Bob Ritter

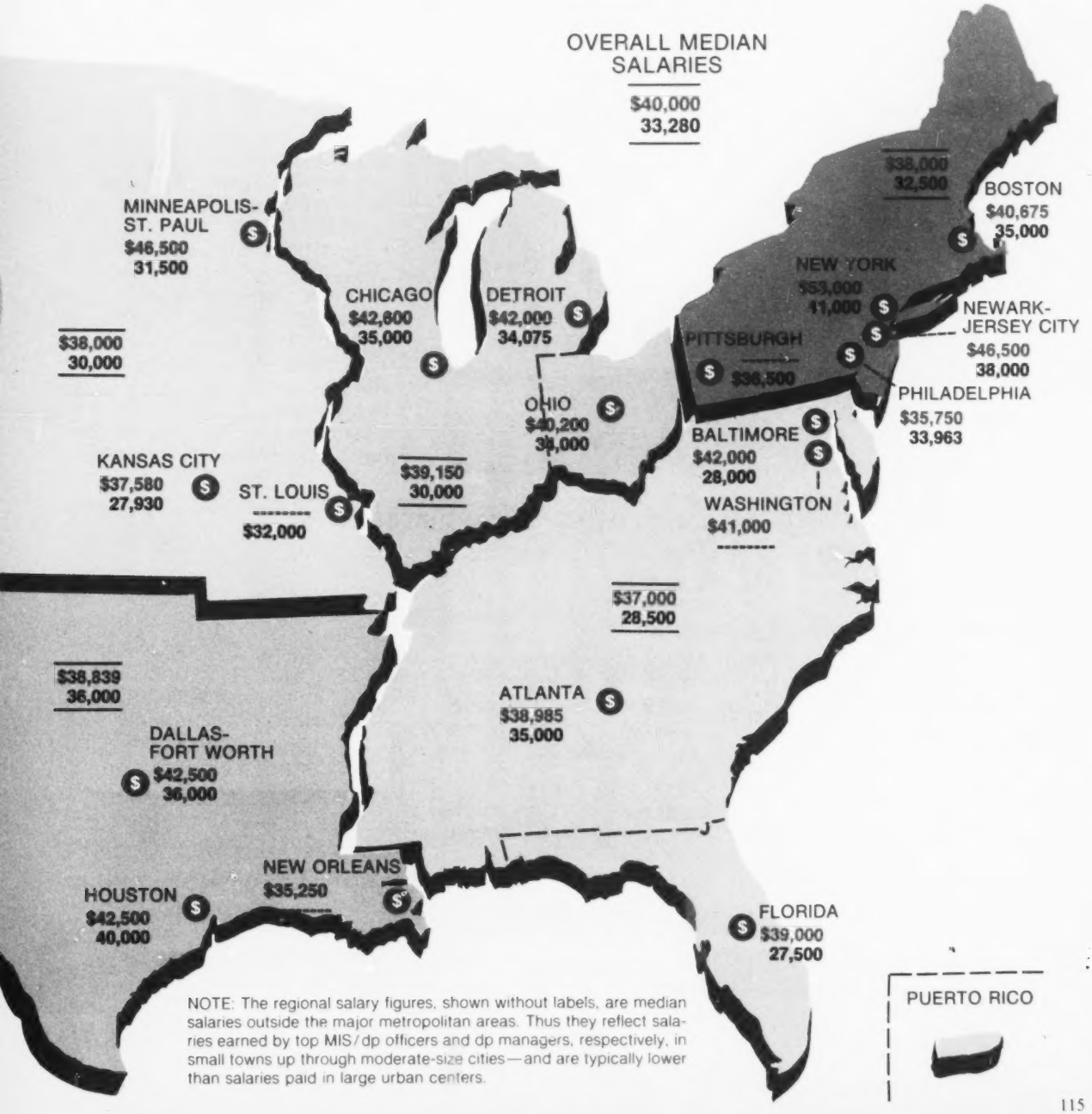
had during the previous two recessionary years. MIS/dp officers and managers made modest gains last year, and the overall figures indicate that information processing remains a good place to be.

Most industries have recovered from the recession. The exceptions are in manufacturing (where nearly a third of the respondents to the survey work), education, and government. In fact, MIS/dp managers in government, particularly at the state and local levels, and education are still suffering from the effects of budget cuts and wage freezes imposed during the recession.

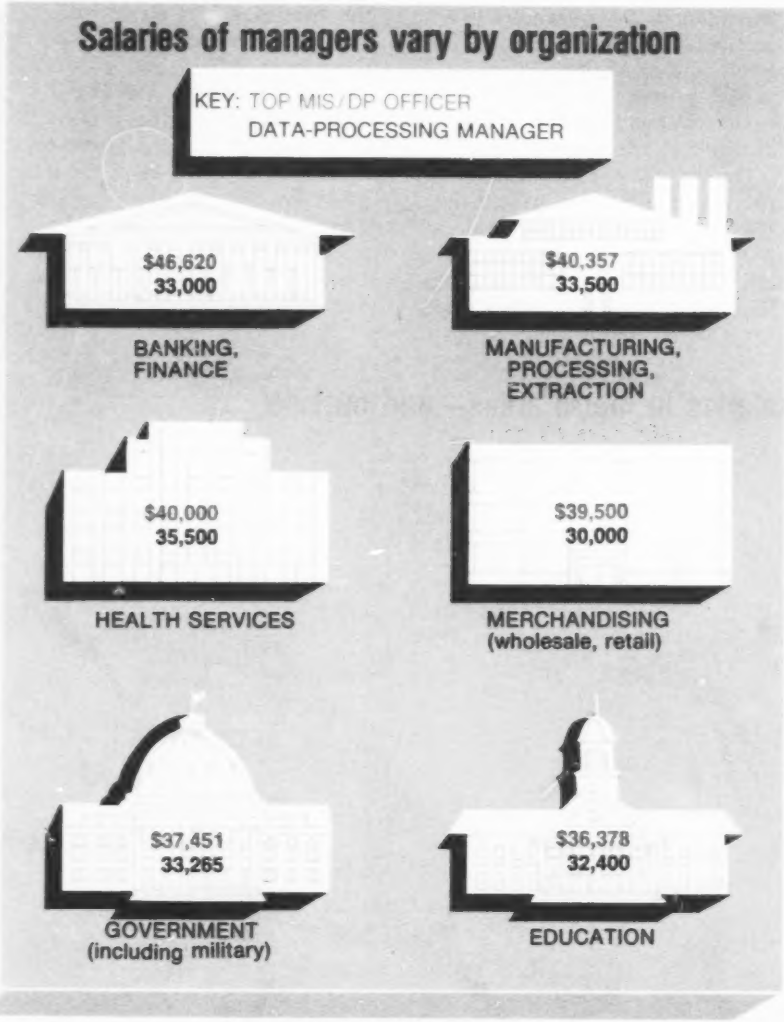
On the whole, respondents said they're more satisfied with their jobs than dissatisfied. More than half (54.7 percent) are somewhat or quite content. Nonetheless, almost 90 percent said they'd jump ship if the incentives were attractive enough. Chief among the enticements is an increase in salary, with 83.5 percent of the respondents saying they'd move to get a heftier paycheck. However, managers aren't ready to change jobs for a peanuts salary increase: The typical manager won't move for less than a 20 percent increase.

Just how have MIS/dp officers and managers been faring? Some

MIS/dp managerial salaries in metro areas—and outside

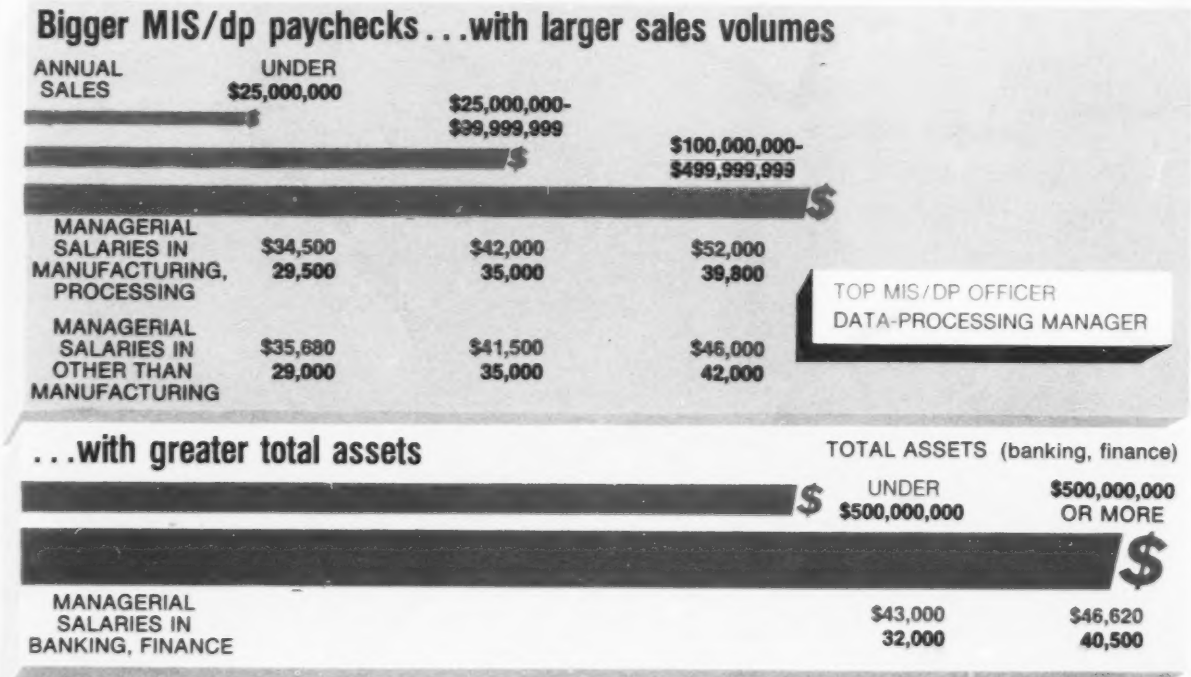


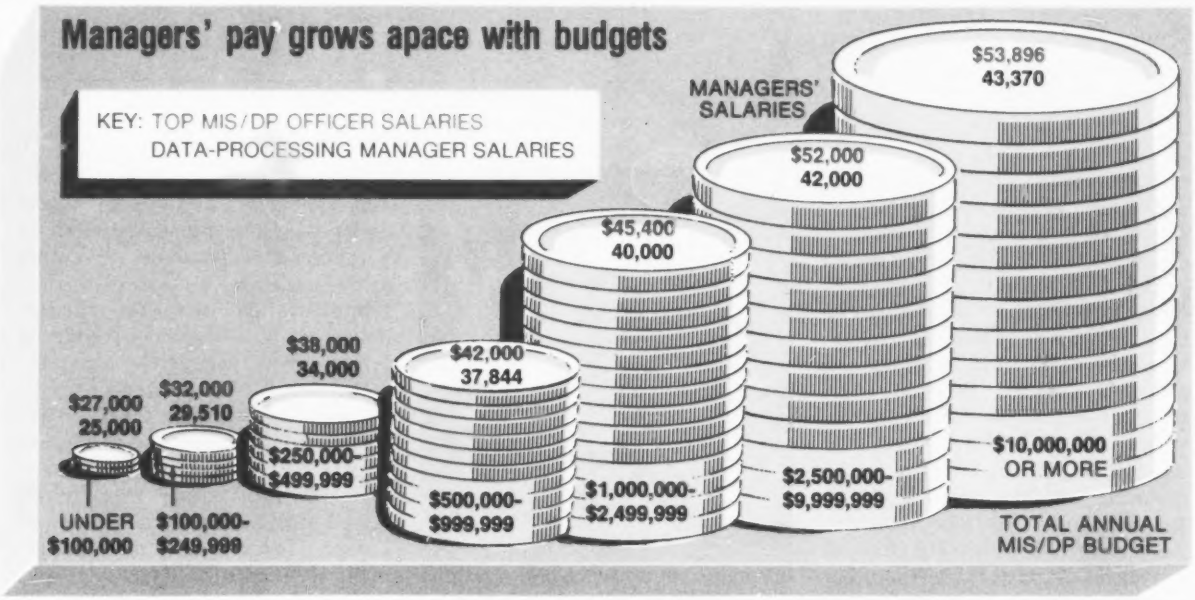
NOTE: The regional salary figures, shown without labels, are median salaries outside the major metropolitan areas. Thus they reflect salaries earned by top MIS/dp officers and dp managers, respectively, in small towns up through moderate-size cities—and are typically lower than salaries paid in large urban centers.



highlights from the survey results show continued growth in compensation:

- The median salary for the top MIS/dp officers was $40,000, while the data-processing managers' pay was typically $33,280. The top figure is 7.2 percent higher than last year's composite median for both categories.
- Nearly 80 percent of respondents received pay boosts between Aug. 15, 1982 and Aug. 15, 1983, the great majority without being promoted.
- Salary increases averaged 7.8 percent, but more than 75 percent of the respondents who reported raises got up to 10.9 percent.
- Salaries for top MIS/dp officers tend to be highest in banking and finance (a $46,620 median), followed, in order, by, manufacturing, processing, and extracting; health services; merchandising; government; and education (lowest median in this series at $36,378).
- Top MIS/dp officers on the west coast—in nonurban areas—earn more than their peers in other sections of the country (a median of $38,800). Those in the Mountain states ($34,187) are paid the least. However, the highest salaries are to be had in New York City.
- Many MIS/dp managers consider their salaries sub-par, compared to



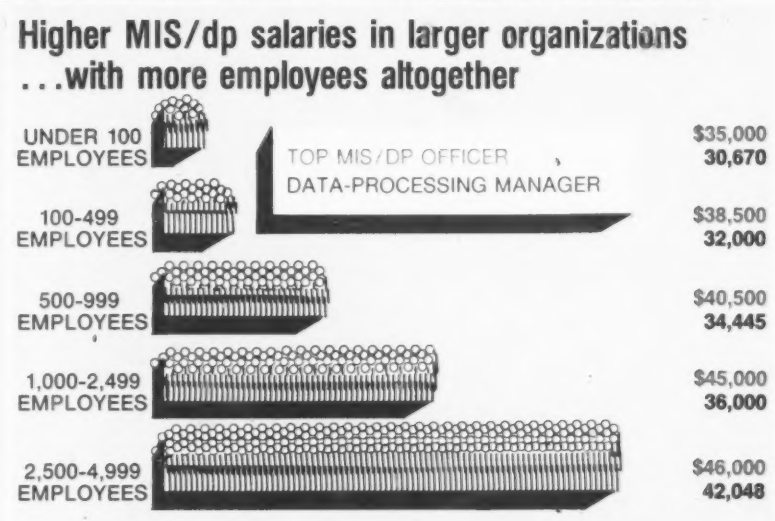


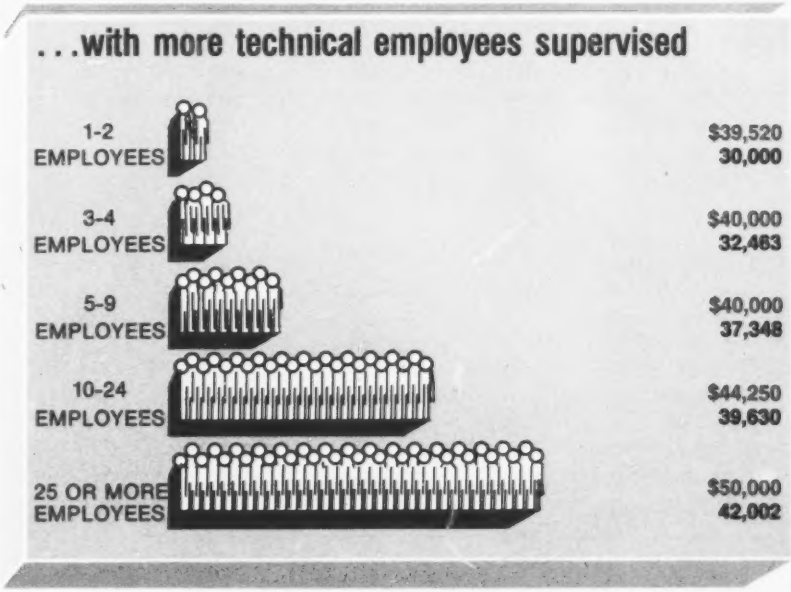
the salaries of managers with comparable responsibilities. However, almost 30 percent of the respondents said their salaries are better than those of other managers.

• Cash compensation above and beyond salary is a relatively small element in the wage picture. The typical top MIS/dp officer earned a little less than $1,000 in extra compensation last year. The typical dp manager earned $720.

This year's Salary-Status Survey is different from those of past years. It was conducted by Abbott, Langer & Associates, and it examines compensation trends in two management categories: top MIS/dp officers and dp managers. *MIS/dp officers* are those who have "primary responsibility" for MIS/dp. They do not work in "company or financial management." *Dp managers* plan, organize, and control data-processing functions like systems analysis, programming, and computer operations. In most cases, the dp manager works for an MIS/dp officer.

The differences in responsibility produce a substantial difference in salaries: The nationwide median for top MIS/dp officers is almost $7,000 higher than the national median for dp managers. But the spread varies considerably. Comparing medians in the cities, for example, the top officer in Chicago gets $7,600 more in annual salary than a dp manager, whereas





Salary-Status Survey

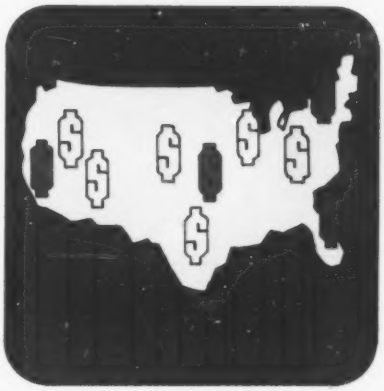
(Continued from page 117)

in Washington, the differential is only $1,033. It's no surprise that in New York, both positions command the highest salaries of all—$53,000 and $41,000, respectively.

One New Yorker in the survey fills the bill for a top MIS/dp officer. Working for a financial organization, he earns between $50,000 and $60,000 and received a raise of between 11 and 13.9 percent last year. He supervises fewer than 10 employees, and administers an MIS/dp budget of more than $500,000. The manager is in his 30s, and he believes his salary is better than that of other managers. Nevertheless, he would change companies for greater challenge and "significant ownership of the organization." This manager could go into general management, because there he'd find "opportunities to become a revenue generator."

Certainly this manager is not alone in a willingness to move out of MIS/dp: Two out of five respondents in the survey checked the "Yes" box on the questionnaire when asked if they'd be willing to move into general management.

Similar differences between the salaries of MIS/dp officers and dp



managers appear when organizations, sales volumes, budgets, number of employees, and other factors are taken into account. (See the charts that accompany this article.) But one trend cuts across all categorizations: If you want to be a top earner, it always pays to be in the top job! Of those at the top of the heap in their respective organizations, half earned from $33,084 to $47,580, while nine-tenths got from $27,000 to $56,000. In contrast, half of those defining themselves as dp managers reported incomes of $27,948 to $40,000, with nine-tenths receiving $23,000 to $45,000.

Other financial rewards add to the compensation of MIS/dp officers and managers. Chief among those is cash bonuses, mentioned by nearly 30 percent of respondents. Even so, additional cash isn't plentiful. Bonuses varied from a few hundred dollars to about $1,000 for the typical top officer or manager.

A minority of respondents received long-range financial rewards like stock options and profit-sharing last year. One-fifth said they shared in company profits, one in eight received stock options, and one in 10 enjoyed investment-fund management. (Other benefits, which may indirectly boost income by 30 to 40 percent, will be discussed next month in Part II of this article.)

Right place, right company

Rates of pay, of course, depend on more than job titles. Where you are—geographically and economically—has a big impact on the amount of money you make. Even if you're not the top officer in MIS/dp, you may be doing well just because you're in a particular part of the country, the right kind of organization, or the right size organization. (The corollary, of course, is that you may not get what you'd like because you're in the wrong spot.) The manager in charge of dp for a Long Island-based manufacturer, for example, typifies the right mix. His company has sales of more than $100 million. The manager administers an MIS/dp budget of between $1 million and $2 million and has between 30 and 39 subordinates. The manager, who's in his 30s, earned between $50,000 and $60,000 last year.

Location is a conspicuous factor in salary comparisons, and "city mice" live better than "country mice" in MIS/dp. Generally both top MIS/dp officers and dp managers draw larger paychecks in the metropolitan areas than in smaller cities and the countryside.

For example, the top MIS/dp officer typically earns $45,000 in the Los Angeles-San Diego area and $41,350 in the San Francisco-Oakland area. Those figures contrast

The "other" managers

The number of specialized MIS/dp managers has ballooned in recent years, and this year's *Computer Decisions* Salary-Status Survey reports on their earnings for the first time. Several of these specialties, such as database manager, were almost unknown three years ago, except in a few large dp shops.

What are these managers worth? The following table lists the median annual salary reported by respondents to the survey.

Title	Median salary
Database-systems manager	$38,824
Computer-systems analysis/programming manager or supervisor	$35,462
Systems-analysis manager or supervisor	$36,000
Systems-programming manager or supervisor	$34,804
Applications-programming manager or supervisor	$34,715
Communications manager	$30,000
Computer-operations manager or supervisor	$25,126
Computer-input/output-control manager or supervisor	$18,500
Key-entry supervisor	$16,932

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Salary-Status Survey

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with $38,800 median salary *outside of the four major metropolitan areas* in the Pacific region (California, Washington, Oregon, Alaska, Hawaii, Guam). A dp manager typically earns $33,963 in Philadelphia and $35,000 in Boston; outside of the five big northeastern metropolitan areas, the amount is $32,500.

That nonurban median of $32,500 for the northeast is better than the median $28,500 for the southern states, again excluding metropolitan areas. In between is the $30,000 for the Mountain region and also for the north-central states.

Salaries also reflect the size of an organization, its dependence on information processing, and the industry of which it is a part. Which companies pay the most? Bigger organizations generally have larger MIS/dp budgets, and as budgets grow, so do salaries. In fact, the top MIS/dp officer can expect to double his or her salary by moving from an organization with a budget of less than $100,000 to one with $10 million or more. Such a move probably won't be possible in one step, but many managers work through the ranks from small to large organizations.

"Total annual MIS/dp budget, along with supervisory responsibility, is an excellent predictor of income in the MIS/dp field," says Steven Langer, head of Abbott, Langer & Associates. The median budget in the survey was $388,679; the *average* (or mean) budget, which was more influenced by the 26 respondents with budgets of $40 million or more, was just under $2.5 million.

Likewise, salaries roughly correlate to the size of a company's total workforce. For instance, a typical dp manager in an organization with fewer than 100 employees earned $30,670 last year. But in organizations with 2,500 to 4,999 employees, he or she earned $42,048.

Managers who oversee more employees tend to earn more. Managers with up to nine subordinates earned a median salary of $32,721. Those who supervise from 40 to 69 employees earned a median of $47,084. The type of employees a manager supervises is also important, according to the survey results. Managers who supervise many technical subordinates earn higher salaries.

Finally, education and experience pay dividends, too, as most managers have discovered. For instance, a top MIS/dp officer without a college degree typically earns an annual salary of $35,888, whereas one with a bachelor's degree receives $40,926. Earning a Ph.D. drives up the salary to a median of $42,000, but a master's in business administration is worth even more. Top MIS/dp officers with MBAs typically earn $45,000.

> Additional cash wasn't plentiful. Bonuses varied from a few hundred dollars to about $1,000 for top MIS officers.

As to experience, for the top MIS/dp officer, one to two years in the specialty fetches a median salary of only $25,500; that figure builds gradually to the top figure of $46,400, which accrues from 20 to 24 years. These principles hold true for dp managers as well.

As expected, organizations that are in the business of earning profits pay their information handlers better than do nonprofit organizations. The median salary for the top MIS/dp officer in banking and finance, the highest-paying field, is $46,620. In manufacturing, processing, and extraction, the median is $40,357. In contrast, the median salary is only $36,378 for MIS/dp managers working for educational institutions.

Increasing demands

For many managers, of course, progress comes in increments, but the pace has increased during the last two years. Most of the respondents got a pay boost between mid-August 1982 and mid-August of 1983—even if the median increase was a modest

Salary-Status Survey

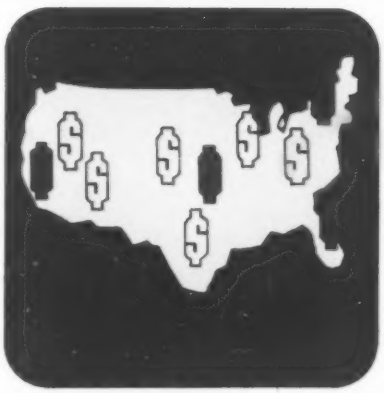
(Continued from page 121)

7.8 percent. (A year ago, the median increase was 9.1 percent.) Promotions accounted for 6.7 percent of the increases.

How did your raise last year stack up? One in six of the respondents who received a raise got less than 5 percent. One in three received a raise of between 5 and 7.9 percent; for one in four, it was 8 to 10.9 percent; and for one in 10, 11 to 13.9 percent. Only one in eight respondents got 14 percent or better.

These figures tell only part of the story, however, because at the same time, the rate of inflation has been relatively low. Thus, earning power has been increasing more rapidly than the raise statistics first seem to indicate. In 1980, the Consumer Price Index, a popular measure of inflation's impact on the cost of living, increased 12.4 percent, according to the Bureau of Labor Statistics. The CPI subsequently slowed 8.9 percent, and for the first 11 months of last year, the CPI rose at a rate of 3.9 percent.

Of course, there were the unfortunates who suffered pay reductions. Of those, surely one of the saddest cases was the manager in charge of MIS for a Missouri manufacturer with annual sales of between $10 million and $25 million. The manager reported a modest income of between $15,000 and $25,000. That's partly explained by the comment he added



to his questionnaire: "All employees took a 28 percent pay cut because of the recession."

These figures give you some idea of what you can expect as you plot your next move. Increased salary is the most important factor in most managers' decisions to accept positions with other employers, as indicated by the survey. Eighty-three and one-half percent would leave their jobs for more money. How much is enough? Two in five managers would demand between 20 percent and 25 percent more before they'd accept a new position. One in six would demand 26 percent or more. And one respondent, an MIS/dp officer in Houston earning a Texas-scale $100,000 salary, would want even more. To move, he'd need a salary increase of 29 percent or more and "a total package . . . so lucrative no sane person could turn it down. . . ." These demands seem to belie that manager's claims that he's eager to move.

Naturally, many a manager couldn't be hired away for a fatter paycheck alone. Some respondents look for the right mix of a salary increase, more benefits, and improved working conditions. A few couldn't be moved by any incentives—or might accept *less* pay to get into the right job. One manager in his 50s who hadn't received a pay raise in the period covered by the survey was unfazed. "I'm perfectly happy with where I am and would rather retire than relocate," he wrote. But then he has the good fortune to be working in La Jolla, CA, an affluent oceanside suburb of San Diego.

A young dp manager, earning between $25,000 and $30,000, took a pay cut when he changed employers and locales. "I got away from the Boston rat race," he said. "I'm very happy in upstate New York. Money isn't everything!"

Of course, values vary from manager to manager. Money may not be everything, but your compensation patterns over the past few years provide insight into how fast you're progressing toward your professional goals. You've got a lot invested in your career, and after seeing these salary figures—to paraphrase New York City Mayor Ed Koch—how're you doin'? □

Inside story

This year's *Computer Decisions* Salary-Status Survey tapped the largest sample in the survey's five-year history. Abbott, Langer & Associates, a consulting firm, mailed forms to 20,007 MIS/dp managers in 50 states and Puerto Rico. Each recipient received a personal questionnaire—which solicited answers to questions on working situation, status, compensation, and benefits—and a survey data sheet, which requested salary data on managers and staff members.

The responses included 1,529 personal questionnaires and 1,362 survey data sheets. In total, respondents sent salary figures on 14,000 positions, categorized under 35 job labels. The businesses and institutions represented reflected the actual mix of workplaces for *Computer Decisions* readers. Results were compiled on an Amdahl 470 V-8 mainframe.

Abbott, Langer & Associates mailed the questionnaires in August 1983 to randomly selected MIS/dp managers and directors—who constituted 45 percent of *Computer Decisions'* subscribers at that time. (The magazine's circulation then was 120,000; it has since risen to 160,000.) Recipients were asked to respond with data effective August 15.

The information presented in the article is but a small fraction of all data compiled. A complete report, entitled "Compensation in the MIS/dp field," is available for $195 from Abbott, Langer & Associates, Department CD, 548 First St., Crete, IL 60417. The phone number is (312) 672-4200.